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Alinghi wins the America's Cup

with help from Oceanic Consulting

In the end it wasn't even close. The Swiss challenger, *Alinghi*, routed defending champion Team New Zealand 5-0 in a best-of-nine series to win the America's Cup final.

While the race for the Auld Mug had the yachting world cheering, a group of marine engineers and designers here in Newfoundland and Labrador had a special reason to celebrate – you might say they were part of the team.

The staff at Oceanic Consulting Corporation, in St. John's, celebrated knowing they played a part in Alinghi's success, and in the process improved their reputation for testing marine vessel designs.

Oceanic provides commercial marine performance evaluations to the international marketplace in partnership with National Research Council of Canada's Institute for Marine Dynamics and Memorial University's Ocean Engineering Research Center and Marine Institute.

In the fall of 2001 and spring of 2002, Oceanic used a specialized testing device, the IMD Yacht Dynamometer, to test models of hull designs of the Alinghi team in the 200 meter towing tank at the Institute for Marine Dynamics in St. John's.

The IMD Yacht Dynamometer was designed specifically for use in America's Cup research. Among the most accurate of its kind in the world, the IMD Yacht Dynamometer measures forces and movements for a range of angles in varying wave conditions.

Oceanic has gained an international reputation among competitors for sailing's premiere event. The company constructed the hull models to be tested for Oracle BMW Racing. Alinghi and Oracle BMW Racing competed for the right to challenge Team New Zealand during the Louis Vuitton Cup challenger series of races.

Oceanic president Dan Walker considers their involvement with Alinghi and other yacht racing teams to be an authentication of their world-class facilities and expertise.

"These are the elite vessels of the sailing world, and take years to design, test, and develop. We have been riding an incredible wave since the challenger series started back in October of 2002," said Walker.

Oceanic combines three decades of experience, the expertise of over 200 researchers and one of the world's most comprehensive collections of marine testing and research facilities specializing in performance evaluation of naval architectural and ocean engineering systems. Oceanic has an extensive background in performance assessments of ships, offshore structures, small craft, and survival equipment in a range of severe conditions from arctic environments to extreme seas.

The link to the America's Cup should provide a boost for Oceanic, and its offices in Canada and the United States, as it competes to supply marine testing services in a market valued at approximately $150 million per year worldwide. •

www.oceaniccorp.com

Attracting the right companies to Exploits Valley

Manufacturing in Newfoundland and Labrador continues to grow in terms of shipment value, capital investment and employment. Provincial initiatives in recent years, including progressive tax measures and increased trade promotion, have concentrated on diversifying the manufacturing base and targeting export markets.

One group in central Newfoundland sees the attraction of manufacturers into this region as offering significant potential for their economic future. The Exploits Valley Manufacturing Initiative is a regional partnership of the Bishop's Falls Development Corporation, the Exploits Valley Economic Development Corporation, the Atlantic Canada Opportunities Agency, and the Department of Industry, Trade and Rural Development. It was established in 1999 to encourage continued growth of the manufacturing sector within the Exploits Valley.

Jody Fancey, executive director for the initiative, says manufacturers can have distinct competitive advantages when it comes to relocating or expanding into the central Newfoundland area.

"The decline of the traditional groundfish industry in the early 1990s sent shockwaves throughout our province, and the provincial government responded with new programs to diversify the economy, especially in the manufacturing sector. It created the most comprehensive incentive program in Canada to attract business (EDGE), and coupled that with the lowest corporate tax rate for manufacturers in the country," Fancey said.

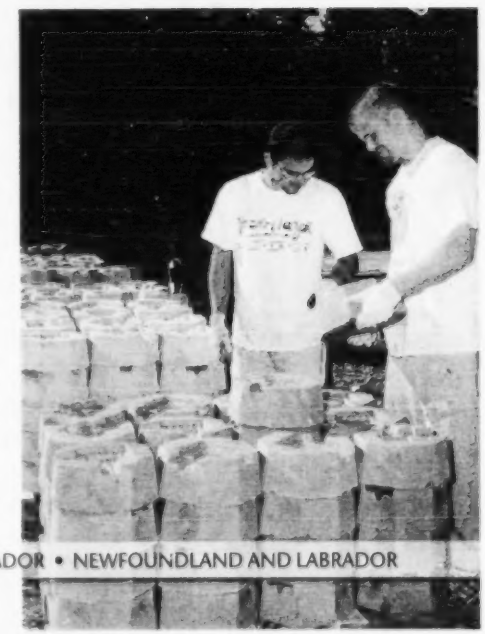
The low taxes and reduced operating costs enjoyed by many Newfoundland and Labrador manufacturers combine to produce a highly competitive environment for expanding companies. But the Exploits Valley Manufacturing Initiative faces challenges when promoting the region's manufacturing sector outside of the province.

"Many companies see the benefits of manufacturing here, but express concerns about the cost of shipping product off of the island," says Fancey. "However, moving product is not a major impediment to doing business here. Our companies have easy access to all major shipping routes and can take advantage of low back-haul rates offered by most trucking companies on the island. Many of our companies such as Hi-Point Industries, Superior Glove Works Ltd. and Abitibi Consolidated are successfully competing in national and international markets."

Attracting new manufacturers is only one goal of the initiative. Fancey said her group works with the region's 38 existing manufacturers to help them grow. It partners with the Department of Industry, Trade and Rural Development and with industry stakeholders, such as the Canadian Manufacturers and Exporters (CME), to help companies learn more about best-practices such as lean manufacturing and to encourage growth through exporting.

"We have everything working for us right now in Newfoundland and Labrador. We have a highly skilled available work force and the right economic fundamentals to compete with any region in North America. However, at the end of the day, it will be our ability to be innovative and enter new markets which will enable us to succeed," says Fancey. •

www.exploitsmanufacturing.nf.ca



Rutter Technologies – shipping safety

RUTTER

Centuries ago ships' pilots used small books, called rutters, to record detailed observations of voyages to assist them in navigating the world. The rutter was the navigator's most prized possession. Within its pages was the information necessary for them to retrace their voyage safely.

Similar to the flight data recorders – or "black boxes" as they are commonly known – that record vital data for passenger aircraft, the VDR, or Voyage Data Recorder, records the critical elements of a ship's voyage. The VDR is a modern-day version of the rutter that recently has become mandatory equipment for the world's largest ships.

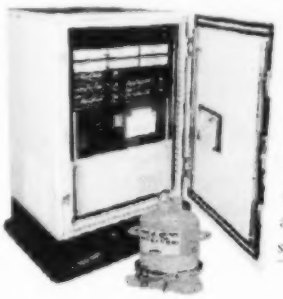
The International Maritime Organization (IMO) is the world body that defines the rules for ocean going vessels. Their rules governing the mandatory introduction of VDRs on most larger cargo and passenger vessels is currently being implemented. And that's good news for one Newfoundland and Labrador technology firm.

Rutter Technologies of St. John's is the only manufacturer of VDRs in Canada.

Since its inception in 1998, Rutter Technologies Inc. has quickly become an industry leader in VDRs. Now the fastest growing company in the St. John's-based ConPro Group, they are aggressively pursuing the international market.

Rutter Technologies was an active participant in the International Electrotechnical Commission (IEC) working group that was responsible for developing the testing standard for the IMO-compliant VDR. In addition, the company is active in ongoing discussions for implementing and modifying that standard.

Clarence Dwyer, Rutter Technologies vice-president corporate affairs, says the company has become a world leader in VDR systems. "We invested early in the development of our network of distributors and this is now starting to pay real dividends. As a result we are now supplying VDRs to some of the most prestigious cruise lines in the world, such as Carnival Cruise Lines, Holland America Lines and Costa Lines to name a few," said Dwyer.



Through its Spanish distributor, Crame S.A., Rutter is delivering 18 VDRs to the Trasmediterranea Fleet of ferries, the largest fleet of ferries in Spain. Rutter won the contract to supply VDRs to the first two Blue Star ferries, Blue Star I and II, early in 2002 through its Greek distributor, Environmental Protection Engineering, and in October secured orders for the remaining five ferries. The Blue Star Fleet represents the first Ro-Ro/Pax ferries in Greece to have VDRs installed.

"These orders are telling us that the customers are satisfied with our reliability and service levels and are rewarding us with repeat business", said Dwyer.

Rutter is a publicly traded company on the TSX Venture Exchange. In April, Rutter Technologies was granted EDGE status under the department's Economic Diversification and Growth Enterprises program to assist in the company's growth and success. •

www.ruttertech.com

Mapping the Irish Seabed... exporting marine expertise

In October, CCMC will host the Ocean Innovation 2003 Conference and Exhibition. The conference will showcase innovation in the ocean environment, including coverage of issues relating to technology, research, governance and market demand, with an emphasis on the need for strategic partnerships.

www.oceaninnovation.ca

When the Geological Survey of Ireland (GSI) announced a $40 million marine survey of that country's territorial waters in 1999, they recognized that the survey design and implementation would be critical to the seven-year project's success.

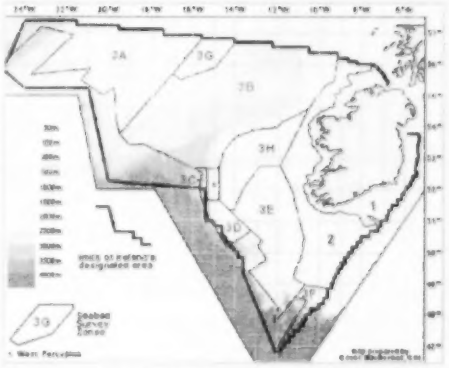
It was a Newfoundland and Labrador organization that got the call to manage the project.

The scope of the work required world class knowledge of marine technologies and the ability to gather and process huge amounts of data into a knowledge base from which Ireland could realise the commercial opportunities presented by its marine resources. It also required the ability to plan measures to protect the marine environment in the most effective manner possible.

Canada has long been recognized as a world leader in the development and application of marine technologies. Much of this reputation is built on decades of technical and financial investment, working in some the world's harshest marine environments, namely the North Atlantic Ocean.

The Canadian Centre for Marine Communications (CCMC), based in St. John's, led the team of Canadian and Irish scientists that provided scientific and technical consulting services to the Geological Survey of Ireland (GSI). Since awarding the contract, CCMC has worked on several aspects related to the protocols, policies and procedures for the collection of data and evaluation of the work performed.

CCMC collaborates with the Canadian marine information technology (IT) industry in the development of products and services that capitalize on advancements in marine communications, navigation and information technology. They facilitate strategic partnerships between industry, research centres, academia and government in support of the growth of the Canadian marine IT sector.



As a testament to the value of CCMC's contribution to the Ireland seabed survey, the contract was recently extended at the request of GSI to December 31, 2003. Under the extension, CCMC is currently undertaking a value-for-money audit of the survey contract on behalf of GSI.

In further developments, CCMC has established a Memorandum of Understanding with the Irish Marine Institute to pursue the development of value-added products and services arising from the national seabed survey data set. •

www.ccmc.nf.ca

In 2002...

- Exports from Newfoundland and Labrador to the US nearly doubled over 2001 — from $2.3 billion in 2001 to $4.2 billion in 2002.
- The province's top three foreign destinations for goods and services has changed from the US, France and Germany, to the US, Germany, and China.
- Overall, foreign exports from the province jumped significantly from $4.9 billion in 2001 to roughly $7.0 billion in 2002;
- Total international imports remained relatively unchanged in 2002 at $4.7 billion; and,
- Our top exports (by dollar value) were, petroleum oils, iron ore, fish and newsprint.

Help spread the message!

Thank you for reading this edition of The Ambassador newsletter. We are always looking for ways to reach as many people as possible with the good news about business in Newfoundland and Labrador. If this copy of The Ambassador was mailed to you, pass it along, or request extra copies so you can help spread the news. If you're reading someone else's copy of the newsletter, contact us and we will put you on our mailing list. See our contact information at left.

Minister's Message

As the new Minister of Industry, Trade and Rural Development, I share with Ambassadors the role of promoting Newfoundland and Labrador to the world.

We have been doing just that with the Ambassador Newfoundland and Labrador program.

We ask Newfoundlanders and Labradorians and friends of the province, at home and abroad, to help dispel myths, to promote Newfoundland and Labrador products in export markets, and continue to promote our unique culture and lifestyle.

Newfoundland and Labrador businesses are supported through several initiatives offered by the Department of Industry, Trade and Rural Development. We will be promoting exports and export development with the first Newfoundland and Labrador Export Development Days (May 26-31). We will be holding workshops and business seminars around the province to demystify the export process and encourage local companies, educators and the public to successfully compete internationally and further our global presence.

During Export Development Days, we will honour a select group of exporters in our province with 2003 Export Awards. These long-standing awards signal to the world that we export quality products, and that we are ready to compete.

As Ambassadors for Newfoundland and Labrador, I thank you again for your work and encourage you to continue promoting our home abroad. Together, let's show the world that Newfoundland and Labrador really is – the right place for business.

PROVINCIAL MISSIONS AND EXHIBITIONS

EVENT	LOCATION	DATE	CONTACT	TELEPHONE
Export Development Days	Various Locations, NL	May 26-30	Doriann Coombs	729-5924
Manufactured Right Here Exhibition	St. John's, NL	May 30-31	Jackie Field	772-3227
Between a Rock and a Great Place – A Learning Vacation	St. John's, NL	July 20-26	Kim Edwards	737-2095
New England Multi-sector Trade Mission	Boston, MA	Oct 6-10	Barry Snow	729-3356
Canadian Institute of Mining (NL Branch)	St. John's, NL	Oct 31-Nov 1	Dave Evans	292-4073
Team Canada Multi-Sector Trade Mission	Netherlands, UK, Italy	Fall 2003	Linda Spurrell	729-7483
Team Canada Atlantic Multi-Sector Trade Mission	Washington, DC	Nov 2-6	Jonathan Brockway	729-5680

Newfoundland & Labrador ✦ Canada
Department of Industry, Trade and Rural Development

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